United Nations A/C.5/62/SR.10

General Assembly
Sixty-second session

Official Records

Distr.: General
15 November 2007

Original: English

Fifth Committee

Summary record of the 10th meeting
Held at Headquarters, New York, on Thursday, 25 October 2007, at 10 a.m.

Chairman: Mr. Ali ..... (Malaysia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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07-56367 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 128: Proposed programme budget for the biennium 2008-2009 (*continued*)

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1. **The Secretary-General**, introducing the proposed programme budget for the biennium 2008-2009 and related reports, said that he expected the year ahead to be among the most challenging in the Organization's history. He was confident that the United Nations could also make it one of the most successful. Its work began in earnest with the proposed programme budget of $4.2 billion, which was broadly in line with what the General Assembly had approved. It represented real growth of $23 million over the previous biennium, or half a percentage point. That was not much, considering the demands upon the Organization. Member States had only to think of what the coming year would bring: Darfur peace talks opened the following weekend in Libya, in advance of yet another major peacekeeping deployment. The Organization faced difficult diplomatic and security challenges in the Democratic Republic of the Congo, Lebanon, Myanmar and Somalia, to name but a few. There were longer-term challenges as well: alleviating global poverty, especially in Africa, ongoing humanitarian crises, human rights violations and the global fight against climate change and HIV/AIDS.

2. Never had the world so needed a strong United Nations. Yet never had the Organization's resources been stretched so thin. As Chief Administrative Officer, he was committed to doing everything in his power to strengthen the Organization so that it could do the job expected of it. That required careful fiscal management, balancing varied and often conflicting priorities, and change from within to make the United Nations faster, more flexible and more efficient in delivering better results with the limited assets at its disposal.

3. In doing all that, the Organization needed to bear in mind the fundamental principle that there was an unbreakable link between peace, human rights and development — the three pillars of its work. It was not possible to have one without the others. They went hand in hand as part of an organic whole and if the Organization lost sight of that fact, it could not hope to achieve its goals.

4. The year 2007 offered immense opportunities for building a stronger United Nations for a better world and the Fifth Committee held the key to the Organization's transformation. The importance of a strong, empowered Secretariat was well understood; it needed to be pragmatic, accountable and focused on results, while representing pride and excellence in serving the global public good. In order to deliver on that vision, the Organization must modernize itself and think afresh about its work and how to get it done.

5. The Organization had already begun the difficult work of institutional strengthening and reform and had reorganized its worldwide peacekeeping operations. It was now time to turn its attention to conflict prevention and peacebuilding, with special emphasis on Africa, Asia and the Middle East, and to rethink its approach to preventive diplomacy. The Organization should exploit to the fullest its potential for good offices and international mediation in the broadest spirit of the Charter.

6. As the Committee well knew, dealing with the aftermath of war was costly. Too many lives were needlessly lost, often as a result of the international community's inability to act early enough. Economies were ruined and hopes for development dashed to no purpose. Strengthening the Organization's capacity to step in and to resolve conflicts earlier rather than later was among the smartest investments the Organization could make.

7. He called upon Member States to support his plan for strengthening the Department of Political Affairs by authorizing $18 million for that purpose. He was pleased to report that the proposed budget included

stable funding for the newly created Peacebuilding Support Office, as mandated by the General Assembly and the Security Council.

8. The link between security and development was clear and peace was the child of their union. Issues of economic advancement and social equity could not be geopolitical afterthoughts.

9. As Member States knew, the Organization was at the midpoint of its 2015 timeline for achieving the Millennium Development Goals. Millions of people looked to the United Nations for a better, healthier and more decent future. The scale of its programmes was impressive by any measure. Over the previous decade, tremendous progress had been achieved in shifting the United Nations from too heavy a focus on security to a broader development agenda. Even though the annual value of contributions to the various United Nations agencies and programmes, which were largely extrabudgetary, currently totalled more than $15 billion, the Organization clearly still had far to go.

10. He expected the Millennium Development Goals Africa Steering Group to help set the agenda. Many international commitments had been made at places like Gleneagles and Heiligendamm, but it was time to move beyond promises and put up the money for those in need.

11. That was not to say that the United Nations should do what developing nations could — and should — do on their own. But the ways of providing aid and development assistance should be adapted to new realities. South-South cooperation, for example, had emerged as a new force in international economics. Developing countries currently accounted for nearly 40 per cent of global exports, and about 50 per cent of that trade was among themselves. Some countries in the South had even emerged as new donors.

12. That was immensely promising and he would therefore seek to reinforce the Organization's work on South-South issues, with the full involvement of the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development and the regional commissions. The Organization needed to bolster its research and monitoring capabilities, particularly in tackling the problems of the world's "bottom billion", those left behind by global economic growth. It must devote special attention to the needs of the least developed, landlocked and small island nations and he proposed to reorganize the Secretariat to better serve their interests. The Organization must help them develop, so that they too could enjoy a greater measure of peace and prosperity, which was their human right.

13. The year 2008 would mark the sixtieth anniversary of the Universal Declaration of Human Rights and he noted with pleasure that the proposed programme budget reflected the decision by Member States to double the resources earmarked for human rights. It was time, however, to think more expansively about traditional definitions of human rights, including the responsibility to protect, and to speak out. Development was a human right, and one that was integral to the Organization's moral mandate.

14. The Organization had focused on its three pillars — development, peace and security, and human rights. But those pillars could only stand as strong as their foundation and Member States must ensure that the foundation was firm and well-maintained. He was of course referring to issues of management and reform.

15. Reform was a process, not a one-time project and it needed the continuing support and mutual trust of Member States. As suggested by many Ambassadors, he would continue to engage with the general membership on the reform of the Department of Political Affairs, the Department of Economic and Social Affairs and other departments.

16. He also agreed that the Secretariat should continue to streamline and rationalize its work in order to avoid duplication and save costs. The Organization needed to be faster, more flexible and more modern and it must place results before process. That required the streamlining of rules and work patterns, in line with the best public and private practices.

17. To that end, he had set up a new internal change-management task force whose work would focus on human resources, budget and finance, and procurement. The goal was to consolidate rules in each area according to clear criteria — simplification, rationalization, transparency and accountability. To the extent that real improvements required legislative changes by the General Assembly, the Secretariat would prepare recommendations accordingly.

18. The proposed programme budget also provided for stiffer internal oversight. The Fifth Committee was already considering proposals for a comprehensive

revision of the United Nations system of administrative justice. The vital work of the Procurement Task Force must be extended for another year, even as the Organization worked towards more permanent independent auditing and investigative capabilities. New accounting practices set forth under the protocols of the International Public Sector Accounting Standards would soon be adopted.

19. To be more responsive and nimble in meeting the changing demands of today's global environment, the United Nations must better manage its human resources, which were its most vital asset. An internal climate change was needed at the United Nations. It must build a more skilled and mobile workforce. Too often, the Organization remained constrained by rules and regulations anchored in a vanished past, particularly those governing contracts and conditions of service that were difficult to administer and no longer served its needs. Streamlining those arrangements would boost efficiency, flexibility and equity in the workplace.

20. The United Nations would shortly embark on perhaps the most outwardly visible of all its rejuvenation efforts, namely the physical renovation of the United Nations Headquarters. Under the capital master plan, the United Nations would "go green" — carbon-neutral and energy-efficient. The plans were completed and work was poised to begin in the fall of 2008. It would be a fitting symbol of all that could be accomplished together.

21. Considerable work had gone into the proposed programme budget. Over the previous 10 months, he had paid careful attention to the mandates that had been entrusted to the Organization and had updated programmes, where necessary. The proposals before the Committee reflected strict budgetary discipline, balancing growth in some areas with reallocations in others.

22. He would also be separately submitting a number of initiatives considered important by Member States. Some involved add-ons to the budget, including the plans to which he had referred earlier for a revamped, more responsive and professional internal justice system, as well as a detailed proposal for an integrated global resource management system (enterprise resource planning) and certain human resources reforms. Before the end of the year, he would also submit a series of reports on frameworks for accountability, enterprise risk management, and results-based management.

23. The proposed programme budget was not only a financial document but also a compact of understanding between the Secretary-General and Member States. It detailed in concrete terms how the goals of the United Nations could be achieved and how the Secretary-General intended to exercise the authority entrusted to him by the Member States. He looked forward to full partnership and teamwork with Member States and to their guidance and advice. It was time to begin work.

24. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports (A/62/7 and Corr.1 and A/62/349), said that the Secretary-General's proposals for 2008-2009 reflected a real growth of 0.5 per cent. The Advisory Committee noted, however, that new posts proposed for 2008-2009 would have an estimated delayed impact of over $34 million in subsequent bienniums and recommended that future budget proposals should include that information, in the interest of greater transparency.

25. The proposed programme budget did not include provision for a number of significant items of expenditure, such as the establishment of a new system of administration of justice and preparedness measures for an influenza pandemic. The Committee was awaiting further proposals relating to business continuity and disaster recovery, a new enterprise resource planning system and resolutions adopted by the Human Rights Council. It understood that other proposals might also be forthcoming.

26. While it might not always be possible to fit new initiatives within the biennial cycle of the regular budget, the proposed programme budget should present the fullest possible picture of the Organization's requirements for the coming biennium. The piecemeal approach evident in the budget for 2008-2009 undermined the budgetary system and budget discipline. The Advisory Committee wished to recall the provisions of General Assembly resolutions 41/213 and 42/211 and that, in its resolution 61/254, the Assembly had decided that the level of the contingency fund for the biennium 2008-2009, within which additional requirements should be accommodated, would be $31,460,500.

27. The Advisory Committee had noted a consistent bias for upward rather than downward reclassification of posts and was not convinced that sufficient efforts were being made to meet new and emerging needs through redeployments rather than new posts. It continued to believe that there should be systematic efforts to foster deeper cooperation and coordination across the United Nations with a view to bringing about synergy, enhancing complementarity and removing avoidable redundancies.

28. In the biennium 2004-2005, over 70 per cent of total regular budget expenditure had been related to salaries and common staff costs, which underlined the importance of human resources management issues, a topic which the Advisory Committee would report on separately at the current session and which would be the focus of attention in 2008. The Advisory Committee would also be reporting separately during the current session on the administration of justice and, when the related documentation was received, on information and communications technology.

29. The Advisory Committee's report contained a number of conclusions and recommendations concerning non-post objects of expenditure in the proposed programme budget. It also contained, in annex V, details of expenditure by section — actual figures for 2004-2005 and from 1 January 2006 to 31 May 2007 and estimates for the balance of 2007 and for 2008-2009. The Advisory Committee had also requested that an updated statement should be provided separately for the Fifth Committee's consideration of the proposed programme budget and would reflect any further views in the context of its second performance report.

30. The Advisory Committee recognized the importance of extrabudgetary resources in the funding of United Nations activities and had included related information in its report. It also emphasized the need to continue improving the information made available to Member States when they reviewed proposed programme budgets.

31. To assist Member States in reviewing the Secretary-General's proposals, the Advisory Committee had made a number of recommendations concerning improvements in the format and presentation of information in future budget proposals. In that context, it reiterated its concern at the continuing chronic late submission of documentation by the author departments and its adverse impact on the work of the General Assembly and of the Advisory Committee itself.

32. The Advisory Committee's detailed recommendations as outlined in its report entailed reductions in the proposed programme budget totalling $11,551,600.

33. Introducing the Advisory Committee's related report on the review of the experience of the utilization of the contingency fund (A/62/349), he noted that increasing the fund to accommodate all potential additional resource demands for 2008-2009 would not contribute to budget discipline, as envisaged in the relevant provisions of General Assembly resolutions 41/213 and 42/211. The procedures for fixing the level of the contingency fund had been set up by the Assembly in those two resolutions, which established the current system of planning, programming and budgetary governance of the Organization. Those arrangements had stood the test of time and there was no evidence they needed to be revised.

34. **Mr. Amil** (Pakistan), speaking on behalf of the Group of 77 and China, said that the General Assembly played a central role in the analysis and approval of posts and financial resources, human resources policies and the allocation and reallocation of resources to all sections of the programme budget with a view to ensuring full and efficient implementation of all mandated programmes, activities and policies.

35. The budget document should present a comprehensive picture of all mandated activities along with all the resources, including the total post and non-post requirements that Member States needed to approve. The resources requested in the programme budget should conform to the legislative mandates established by the principal and subsidiary organs. A piecemeal approach undermined the budgetary process and budget discipline and made it difficult for Member States to determine resource requirements for priority activities.

36. The regular budget document was not merely a financial and accounting tool to secure core resources for the Organization. It was an authoritative statement that should adhere to legislative mandates and to the provisions of the Charter and should reflect the Secretary-General's strategic vision for delivering the mandates established by the Member States. The Group agreed on the need for further improvements in the

presentation of the budget, particularly with respect to the full cost of budgetary proposals for each section. Efforts should also continue to identify each programme's specific objectives and expected accomplishments.

37. The Group remained concerned at the implementation of zero nominal real growth in the resource level of the budget, without any formal decision by the General Assembly. That practice, which was desired by only a few Member States, severely constrained the Organization's capacity to implement all mandated programmes and activities. The Group was concerned that the real increase of 0.5 per cent in the budget level over the previous biennium would adversely impact the implementation of all legislative mandates approved by Member States, particularly the development mandates. Given that the Advisory Committee had already recommended a reduction of approximately $11 million, further cuts were inadvisable. The Group might also put forward proposals for additional resources for programmes that were of critical importance from its perspective.

38. The budget should accurately reflect the priorities identified by Member States in the areas of development, peace and security, and human rights. While the budget programme proposed a considerable increase in the resources for certain sections, only a nominal increase of 0.5 per cent was proposed for the development budget. The proposal to allocate additional resources to the Department of Political Affairs and the Department of Peacekeeping Operations for conflict prevention reflected a strategy that focused on merely curing symptoms. If the relevant departments were not granted the resources needed to address the underlying causes of the conflicts, such as poverty and underdevelopment, the larger objective of peace and security might also be jeopardized.

39. The 2005 World Summit had reaffirmed the Organization's central role in promoting development, but the United Nations had failed to honour its commitments. The Group was gravely disappointed at the lack of any meaningful increase in the development budget, particularly in light of the development-related events scheduled for 2008. It was also concerned about efforts to consolidate activities within the United Nations system, which diminished their development component.

40. Increasing the Organization's capacity to fully implement the development agenda was a major priority for the Group of 77 and China whose ministerial declaration of September 2007 called for an end to the Organization's systemic discrimination against development. The Group requested the Secretary-General to strengthen the Organization's the development and economic machinery, particularly the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development (UNCTAD) and regional commissions, and to submit proposals for the allocation of adequate resources for the enhancement of development-related programmes in the current budget. Efforts should also be made to strengthen the Organization's analytical work in areas where its capacity had diminished.

41. The Group would carefully consider the proposals for additional resources for the Department of Political Affairs, the internal justice system, an enterprise resource planning system, and for the implementation of decisions of the Human Rights Council. It had serious questions about the administration and budgeting of the special political missions and urged the Organization to develop well-defined policies for efficient and accountable management and proper scrutiny of their budgets and performance.

42. The Group noted the efforts to improve performance and output, particularly the integrated global management initiative by the Department of General Assembly and Conference Management. The Department must ensure quality interpretation and translation, full servicing of all meetings, including those of large political groups such as the Group of 77 and China, the Non-Aligned Movement and regional groups at all duty stations, timely presentation of documentation in the six official languages and high-quality printing and publishing.

43. The Department of Public Information had an important function which transcended damage control in scandals and needed to improve its performance in disseminating the Organization's achievements in all fields. It should revitalize its role in promoting the image of a vibrant Organization and a central forum for promoting effective multilateral solutions to multifarious global challenges.

44. The Group noted that the majority of the 220 new posts in the proposed programme budget were

concentrated in programmes for political affairs, international justice and law, the Office of Internal Oversight Services (OIOS) and human rights and humanitarian affairs. It remained concerned that staff recruitment lacked transparency and accountability as well as a balance between developed and developing countries. The Group attached great importance to equitable geographic representation in all recruitment and in the rotation of senior positions among the Member States. It also urged the Organization to recruit a higher number of female representatives from developing countries. The Secretary-General should make full use of human resources action plans, compacts, performance evaluations of programme managers, and central review bodies to achieve those objectives. Another matter of concern was the continuing disregard for the relevant regulations in the hiring of consultants.

45. The Group noted the proposals for new senior-level posts in departments dealing with peace and security and human rights and would examine them in the context of their functional justification and impact on improving the geographic representation of developing countries. Particular attention should be given to rebalancing the geographic representation in certain offices, as noted by certain oversight bodies. The Group would appreciate further information regarding the appointment of the Under-Secretary-General for Field Support, a post that should be filled by a candidate from a developing country.

46. In 2006, the General Assembly had approved additional resources to improve governance, management and procurement and the Group was awaiting the report on the implementation of the approved reforms. One of the key objectives of the procurement reforms should be an increase in procurement opportunities for developing countries. To protect the Organization's reputation, the lacunae in the vendor registration and bid protest systems and in implementation of the relevant rules and regulations should be addressed.

47. The Group attached great importance to the implementation of a new independent, decentralized and professional system of administration of justice, in accordance with General Assembly resolution 61/261. Full implementation of the road map, as envisaged in that resolution, would also propel the ongoing human resources management reforms.

48. Effective accountability and oversight required accountability frameworks and strengthened internal and external oversight institutions. The Group looked forward to the Secretary-General's long-awaited reports on the accountability frameworks. It supported the operational independence of OIOS and the provision of adequate resources through the established budgetary process. OIOS must recruit highly professional staff from developing as well as developed countries in order to ensure equitable geographic representation. In appointing staff, OIOS should comply with the decisions of the General Assembly and avoid shifting them to its own priorities.

49. Appropriate incentives were needed to reduce the high vacancy rates in many duty stations. A post or vacancy represented a function and failure to fill that vacancy should not be used as an excuse for refusing new posts for different functions.

50. Future programme budget proposals should contain concrete and more consistent information on efficiency gains and service improvements resulting from implementation of the recommendations of evaluation and monitoring bodies. The Group was particularly concerned that the efficiency gains achieved over previous bienniums had not been diverted to the Development Account, as stipulated in paragraph 24 of General Assembly resolution 52/12 B, but had been used by the programme managers for their own priorities.

51. The Group noted the proposed discontinuation of 2,111 outputs in 2008-2009, the majority of which related to economic and social affairs and regional cooperation for development. Rule 105.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (PPBME) should be respected and the Committee for Programme and Coordination fully involved in the process. The Group endorsed the Advisory Committee's observation that the information on the outputs would have been more useful if any links to proposed new outputs had been identified or, where there were none, if attempts had been made to identify resources released and made available for redeployment.

52. Every effort should be made to enhance the training opportunities and hiring of trainers from developing countries. Moreover, resources for training

should be allocated fairly among programmes and duty stations in order to ensure that the Organization derived full benefit from those efforts. Additional information on the allocation of resources to language and other training programmes would be appreciated.

53. The Group trusted that the additional resources and capacities requested for information and communication technology would be fully integrated in the future enterprise resources planning system and hoped that the system would deliver the promised goal of improved transparency and accountability of programme implementation.

54. The bulk of extrabudgetary resources, which amounted to approximately $6.6 billion, was earmarked for a variety of support, substantive and operational activities, mostly at the field level. Because of the so-called zero nominal growth principle and since salaries and common staff costs accounted for 80 per cent of the regular budget, it was necessary to rely on extrabudgetary resources. The fact that those resources were regularly reflected in the budget document confirmed that they were critical for the Organization's operational activities, thus reinforcing the need for enhancing the regular budget. The approval procedures, reporting requirements and accountability mechanisms of extrabudgetary resources often lacked transparency and the Group therefore proposed that the role of the Board of Auditors and information on the activities and posts financed from extrabudgetary resources should be included in the performance reports. The recruitment of junior Professionals using extrabudgetary resources should also reflect an equitable geographic representation and not be used to increase the representation of donor countries in the Secretariat.

55. The current status of the Development Account was unacceptable. No additional money had been allocated to the Account and there had been no diversion of savings or efficiency gains. Given that the current framework was not practical, the Group sought a tangible increase in the Account during the current session, through additional appropriations.

56. Regional commissions played an important role in implementing the development agenda and should therefore receive adequate resources to implement core mandates, without undue dependence on extrabudgetary resources. Resources, moreover, should be fairly allocated among the four United Nations duty stations and the regional commissions. The Group welcomed the resources for strengthening the Economic Commission for Africa and the United Nations Office at Nairobi and looked forward to the strengthening of other regional commissions and United Nations offices in developing countries. The Organization needed to improve conference services in Nairobi and reduce high vacancy rates by offering concrete incentives. For their part, the regional commissions needed to carry out reforms to achieve an effective implementation of allocated resources.

57. The Group supported the provision of equal quality of service to all organs of the United Nations and remained concerned that the work of the Security Council continued to be given priority over that of the Main Committees of the General Assembly, intergovernmental bodies and regional groups.

58. The Group reaffirmed the role and mandate of the Committee for Programme and Coordination, in accordance with the PPBME and relevant General Assembly and Economic and Social Council resolutions, and remained concerned that some budget sections had not been submitted to the Committee for Programme and Coordination for consideration. Introductory parts of the budget sections must contain information on revised or new mandates and the narratives of all sections and subprogrammes should be presented, in accordance with General Assembly resolution 58/269. The Secretariat was expected to fully abide by regulation 4.5 and rule 104.4 of the PPBME.

59. The Group welcomed the Advisory Committee's first budget report, but noted that some of its observations and recommendations did not fall within its mandate or did not take into account the Assembly's mandate and the provisions of the Charter. The Advisory Committee needed to improve its working methods and prioritize its consideration of reports. The Group supported a review of the conditions of service of Committee members as well as the recruitment of additional staff.

60. The contingency fund should be saved for its original purpose, as set forth in General Assembly resolutions 41/213 and 42/211, and used for unforeseen expenses, not for expenses relating to the reform of the United Nations. Such practices undermined financial discipline and limited Member States' ability to establish and implement new mandates.

61. Negotiations on the proposed programme budget should be open, transparent and inclusive. Working out details in small groups or leveraging assessed contributions to impose reforms that did not enjoy broad support disrupted the normal budget process. Such practices had been counterproductive in the past and had led to mistrust and polarizations among Member States. The Group would take a constructive approach to the budget negotiations, with a view to strengthening the Organization and promoting harmony among its Member States.

62. **Mr. Salgueiro** (Portugal), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Montenegro and Serbia; and, in addition, Georgia, Liechtenstein, Moldova and Ukraine, said that the proposed programme budget was a strategic instrument of the utmost importance. The full implementation of mandates in the light of the principles set out in General Assembly resolution 60/1, including the reform mandates, was a vital matter for the Organization. In examining the Secretary-General's budget proposals, the European Union would be guided by the need to provide adequate funding for the implementation of all mandates, the promotion of sound management and strict budgetary and fiscal discipline, the effective use of resources, and a results-based approach.

63. The budget proposals represented a very modest increase over the revised appropriation for the current biennium, but less so if compared with the budget agreed in December 2005. Nor did the total figure of close to $4.2 billion show the full cost of the activities to be financed under the regular budget during the current session, since it did not include recosting and a number of activities currently under consideration by the General Assembly or the statements of programme budget implications likely to emerge from the decisions of the Main Committees. The final figure might be close to $4.8 billion, a very substantial increase which could not be underwritten in its entirety but must be examined in the light of budgetary constraints and cost-effectiveness. The European Union was, collectively, the largest contributor in terms of assessed contributions and it expected the United Nations to exercise the same budgetary discipline as its Member States. Of course, a large part of the increase was due to inflation and exchange rate fluctuations beyond the Secretary-General's control.

64. The Secretariat deserved commendation for presenting a full and transparent picture of the total amounts, but some of the add-ons could have been included in the initial submission, while others could not be justified by reference to standing mandates and would have to be prioritized. The Advisory Committee was right to argue that such a piecemeal approach undermined the budgetary system and budgetary discipline. The budgetary process set out in General Assembly resolutions 41/213 and 42/211 should be followed in the future.

65. The application of fiscal discipline to the financing of new activities implied serious consideration of redeployment and a search for cross-cutting economies. The best approach was to expand the budgetary debate to include a scrutiny of recurrent expenditures. The European Union would seek the Secretariat's cooperation in that regard. There was also merit in striving for proper use of results-based management. The imminent budget negotiations would relate not only to the current proposal but also to all the other proposals to be included in the final revised appropriation, which must be kept to a manageable figure.

66. **Mr. del Rosario Ceballos** (Dominican Republic), speaking on behalf of the Rio Group, said that the volume of mandated expenditures, in addition to the needs of peacekeeping, the international tribunals and other budget-dependent activities, meant that the total amount of the proposed budget must be very carefully managed, with emphasis on accountability mechanisms. The Organization's priorities and mandates should be implemented in an effective and balanced manner in the three main areas of peace, development and human rights. It was worrying that the budget proposals did not represent the total requested resources and would be followed by a series of additional requests. That type of budgetary practice was unsound and future budget proposals should be comprehensive.

67. The Rio Group would pay special attention in the budget negotiations to political affairs, disarmament, peacekeeping operations, and economic and social affairs, including the Permanent Forum on Indigenous Issues, the fight against hunger and poverty, trade and development, the environment, the work of the

regional commissions, human rights and humanitarian assistance. The budgetary neglect of certain topics over the years was regrettable. The situation of the members of the Rio Group, all of them developing countries, demanded the urgent strengthening of programmes aimed at improving the living conditions of their peoples. Programmes of international and regional cooperation for development, in which the Economic Commission for Latin America and the Caribbean (ECLAC) and the regular programme of technical cooperation played a key role, were particularly important. The Rio Group welcomed the establishment of a Women and Development Division within ECLAC, but regretted that the proposed allocation for the Development Account, another matter of importance for the developing countries, had not even been adjusted for inflation and exchange rate fluctuations and represented only an inadequate 0.34 per cent of the total regular budget for the biennium. The Rio Group had been obliged to accept a number of proposals in the current budget in order to ensure that the Secretary-General had the resources necessary for the proper functioning of the Organization. Among them had been the use of the failed procedure for filling the vacancy in the Permanent Forum on Indigenous Issues. It would like to have from the Secretariat an explanation in writing of the reasons for the failure to fill that vacancy. It would also welcome an account by the Forum of the difficulties which that situation had caused.

68. The piecemeal presentation of the Secretary-General's reform proposals impeded any comprehensive analysis. What was needed was an integrated approach which covered the restructuring and strengthening of the entire development architecture. It should be noted that the only reform measure carried out in recent years had been the reorganization of the Economic and Social Council, from within existing resources. Since its staff was indeed the Organization's most valuable asset, the efficient management of human resources, including equitable geographical representation, was vital. The Rio Group would like to have a list of the nationalities of all staff members in the Executive Offices of the Secretary-General and Deputy Secretary-General. It was particularly interested in the representation of Latin American and Caribbean countries.

69. Efforts must continue to promote among all staff members a culture of continuous learning and to reinforce the capacity to manage change. In addition, a gender perspective should be incorporated in all sections of the budget and sufficient resources allocated to meet the institutional objectives of gender equality, with special emphasis on women from developing countries. Efforts to combat fraud and corruption in the Organization must also continue. In that connection, the Rio Group had always supported measures to promote transparency and institutional integrity.

70. The Rio Group was of the view that all the statements of programme budget implications should be taken up together and their impact considered as a whole. It also shared the Advisory Committee's view that its secretariat should be strengthened in light of its increasing workload and the diversity and complexity of the questions which that body was called upon to consider.

71. The Rio Group would work constructively to fashion a budget proportionate to the Organization's needs, priorities and mandates. It hoped that a recurrence of the regrettable experience of the negotiations on the programme budget for the current biennium would be avoided.

72. **Mr. McNee** (Canada), speaking also on behalf of Australia and New Zealand, said that the Secretary-General's assumption of office had coincided with an intensification of the expectations of Member States. He could count on the cooperation of the three delegations in ensuring that the Organization was equipped to discharge its responsibilities in an efficient and accountable way.

73. The budget proposal contained few surprises. It gave effect to earlier decisions of the General Assembly and much of the "action" was to be found not in the budget document itself but in a stream of parallel proposals. The three delegations shared the concern expressed by the Advisory Committee about the piecemeal approach to the formulation and consideration of the budget, which undermined budget discipline, obscured the full requirements and made it more difficult for Member States to prioritize the allocation of resources.

74. Another matter for concern was the growth of the budget. The budgets for all the accounts subject to assessment would be close to $9 billion for 2008, and increases in the regular budget were higher than the totals that had been presented. The three delegations

would work with others to contain the proposed growth in the budget by identifying outdated activities and examining the scope for absorption of new requirements. Public support for spending on such a large scale hinged on confidence that the funds were used for the intended purposes. While progress had been made in developing policies and structures to support ethical conduct and integrity, independent oversight and personal accountability, early action was needed to strengthen internal controls and internal oversight and to improve the procurement regime and the identification and management of risks.

75. The delegations on whose behalf he spoke recognized that effective improvement of management could require additional resources, not least because the United Nations had sometimes underinvested in people and systems. In the absence of identifiable gains in efficiency and productivity, however, the appetite for increased expenditure in the name of management reform would diminish.

76. With regard to the presentation of the budget itself, the Organization must move beyond the practice of incremental budgeting in which justification was provided only for new resources. The budget base itself must be examined to determine whether programmes and activities were still relevant, and the budget document must reflect that examination. There was no other way of establishing that the possibilities of responding to new needs by redeployment of existing resources had been exhausted.

77. Transparency and accountability must also be strengthened. The current method of budget presentation did not make clear the cost of sustaining new initiatives. Results-based budgeting, a key feature of accountability, seemed to be a paper exercise used by the Secretariat to meet the needs of the budget process rather than as a management tool. Indeed, feedback on the performance of past budgets did not appear to inform the formulation of future budgets or workplans. The delayed proposals on how to develop the results-based approach further were eagerly awaited. Administration consumed a large part of the regular budget, but administrative efficiency was rarely measured and progress in the development and use of relevant tools and techniques had been slow.

78. Many organizational and management improvements were being introduced. Complex projects such as the capital master plan and the renewal of information technology required organization-wide commitment and unified leadership which transcended the departmental stovepipes that had often impaired unity of purpose. The delegations on whose behalf he spoke was confident that the Secretary-General was equipped to provide that unified leadership.

79. **Mr. Tawana** (South Africa), speaking on behalf of the African Group, said that reform was a process not an event. If the United Nations was to make a meaningful impact in addressing global challenges, it must keep abreast of changes in the global realities. The reform process would not earn the full confidence of all Member States unless the mandates of the General Assembly were carried out and particular attention paid to the special needs of Africa.

80. Presentation of the budget proposals gave Member States an opportunity to ensure that the allocation of resources was consistent with the priorities set by the General Assembly. While the African Group noted the assurances given by the Secretary-General in that regard, it considered that adequate resources had not been allocated to development issues. The Group supported efforts being made to address the root causes of the conflicts impeding the economic growth and sustainable development of many African countries. It was imperative that Africa be assisted to attain the Millennium Development Goals.

81. There were inextricable links between peace and security, development and human rights. None was a substitute for the other nor should any one of them be pursued at the expense of another. It was in that spirit that the African Group viewed the Secretary-General's proposals for revamping the Organization's peacekeeping capacity. It awaited with interest his formal proposals for restructuring the Department of Political Affairs and noted with appreciation the progress made in the operations of the Peacebuilding Support Office.

82. Sufficient resources should be allocated to fund the priorities set by the General Assembly for the biennium 2008-2009. The regular budget was supposed to provide funding for all of the Organization's activities and it was a matter for concern that most activities were funded from extrabudgetary resources.

83. The African Group supported the ongoing repositioning of the activities of the Economic Commission for Africa (ECA) in the context of efforts

to enhance the capacity of subregional offices. The Advisory Committee was correct in the view that the ECA initiative would facilitate the fulfilment of the Commission's regional development mandate. There must be equity in the allocation of resources among duty stations and regional commissions. The Secretariat should ensure that the United Nations Office at Nairobi, which was alone in receiving support from extrabudgetary resources, was treated in accordance with the relevant General Assembly resolutions.

84. While the establishment of the Office of the Special Adviser on Africa was a tangible sign of commitment to the New Partnership for Africa's Development (NEPAD), it was a matter of grave concern to the African Group that, at a time when Africa was the only region not meeting the MDG targets, the Office was not yet operating at full strength. The Group urged the Secretary-General to appoint the head of the Office as a matter of urgency, and to provide adequate resources for NEPAD-related activities. High vacancy rates adversely affected the functioning of the Secretariat and the Group requested an update on the measures that had been taken to fill all vacant posts beyond 31 May 2006.

85. The African Group supported the rationale for the Organization to leverage the advantages secured by the introduction of information and communication technology (ICT). It welcomed the appointment of the Chief Information Technology Officer and looked forward to hearing his proposals for a clear ICT strategy to eliminate redundancy and duplication in that sector across the Secretariat.

86. **Mr. Park** Hee-kwon (Republic of Korea) said that a budget was not just a collection of numbers but a reflection of an organization's priorities, needs and commitments. The needs and hopes of beneficiaries must be balanced against the fiscal burdens and domestic constraints of contributors. It was a matter of concern that the budget proposal for the biennium 2008-2009, after recosting and incorporation of the reform initiatives, would be 20 per cent higher than the initial request of $3.8 billion for the biennium 2006-2007. While Member States had an obligation to provide the Secretary-General with the financial resources to fulfil the mandates entrusted to him, given the enormous growth of the peacekeeping budget, overall assessments were becoming a serious burden on Member States. The Committee must therefore seek to contain the size of the budget and enhance the productivity of budget expenditures.

87. His delegation regretted the absence of any dramatic change in the budget-formulation methodology and the piecemeal and incremental approach which impaired budget discipline and made it difficult to prioritize programmes and to eliminate redundant items. Greater effort was needed to find new ways of justifying expenditures. The mandate review process, which had been expected to point the way in that regard, had not yet produced any meaningful outcome. The only alternative way to ensure timely and effective implementation of urgent mandates was to authorize the Secretary-General to set priorities and streamline the work programme in the light of actual needs. Otherwise there would be rapid growth in the budget and underutilization of available human resources. More detailed information about the outcomes of budgetary expenditures would enable Member States to verify the effectiveness of their contributions. Programme evaluation and feedback arrangements must also be improved so that outcomes could be taken into account in the determination of appropriations.

88. His Government was a strong advocate of the Secretary-General's reform initiatives but wished to see a careful cost/benefit analysis of their financial implications. While a quantitative approach could not be taken to the whole reform agenda, a review of the quantitative and qualitative effects of the reforms might clarify the Organization's goals and targets.

89. The Organization's budgeting system did not entertain the concept of a fiscal deficit and was less influenced by budget increases than national systems. That structural weakness should be addressed by a stronger trusteeship of the Secretariat, and in particular of the Secretary-General, who should devote more attention to removing the hidden inefficiencies caused by overlapping responsibilities and duplication. An aggregation of small savings could produce big effects, and the Advisory Committee was right to argue that there was room for cost savings in such areas as travel, the hiring of consultants, translation, and publication. Optimum budgeting required a combination of a suitable budget formulation methodology, strong will on the part of all parties involved in the proposals, and effective management by the Secretary-General.

90. **Mr. Muhith** (Bangladesh) said that, in order to carry out its mandated tasks effectively, the Organization must be supplied with adequate resources. Accordingly, all Member States should endeavour to pay their assessed contributions in full, on time and without conditions.

91. The proposed programme budget for the biennium 2008-2009 had been presented in a fairly suitable format, but he agreed with the Advisory Committee that further improvements were still required in a number of areas. Innovative solutions should be sought in order to make future budget documents more user-friendly and precise. Future budgets should also provide information on the full cost of budgetary proposals for each section.

92. He was concerned about ongoing efforts to achieve zero nominal growth in the regular budget because of their potentially negative consequences for development-related mandates. Noting that extrabudgetary resources for the biennium 2008-2009 had been estimated at $6.6 billion, a net increase of 12 per cent in comparison to the previous biennium, he reiterated his call for the development of a methodology enabling the entire membership to be involved in policy decisions on the use of those resources.

93. On the issue of results-based budgeting, further efforts were needed to categorize and quantify outputs. The bulk of the 2,111 outputs identified for discontinuation in 2008-2009 related to economic, social and environmental programmes in the developing countries. In that connection, he would be grateful for further information on any resources released as a result of discontinued outputs that had not been linked to new outputs.

94. He was also deeply concerned at the Organization's continued failure to devote sufficient attention to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. Those three groups of countries accounted for 91 Member States, a little under half the total membership of the United Nations, including the 50 most vulnerable countries in the world. Since only three years remained before the conclusion of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the Least Developed Countries Unit of the Office must be strengthened. His delegation was also concerned at the 61 per cent decrease in the estimated extrabudgetary resources allocated to the Office for the biennium 2008-2009. Since such a decrease was detrimental to programme delivery, appropriate steps must be taken to ensure a steady inflow of funds. A concrete strategic action plan should be developed to achieve greater mobilization of resources in order to ensure that programme delivery could continue effectively.

95. Lastly, while commending the Department of Public Information for its efforts to tell the United Nations story to the peoples of the world and for its role in bridging the digital divide, he expressed his frustration at the meagre 0.3 per cent increase in resources requested for the biennium 2008-2009. United Nations information centres were vital for disseminating information and raising public awareness in developing countries and, as such, the centres located in those countries should receive adequate funding from the regular budget. He disagreed with the Advisory Committee's recommendation that host countries should be approached with a view to obtaining improved, cost-effective arrangements for the rental of premises.

96. **Ms. Medal** (Nicaragua) said that, in an increasingly complex world, the United Nations was and would continue to be the only global organization capable of responding to emerging challenges. However, despite the fact that Member States had all agreed that the Organization's work should revolve around the three pillars of peace and security, development and human rights, there were glaring imbalances in the budgetary proposals currently before the Committee. In spite of world leaders' repeated insistence on the need to achieve the Millennium Development Goals, the development agenda continued to be sidelined, as illustrated by the fact that the resources allocated to the Development Account represented only 0.37 per cent of the total proposed programme budget for the biennium 2008-2009 and that efforts were still being made to fund the Account through efficiency gains. The gap between word and deed must be bridged through the allocation of appropriate financial resources.

97. The programme budget of the United Nations should be a faithful reflection of the mandates approved by the legislative bodies, not the wishes of the Secretariat. She therefore looked forward to receiving the Secretary-General's proposals on the

restructuring of the Department of Economic and Social Affairs and of operational development activities, which were designed to strengthen the impact of the Organization's work in developing countries. She noted in that connection that the Secretary-General had been mandated to submit such proposals in 2005.

98. Regrettably, the budget proposals before the Committee were incomplete. Details of the unexpected and non-mandated reform of the Department of Political Affairs, as well as estimates for the reform of the administration of justice system, the procurement function and the enterprise resource planning system, were still being prepared, which further illustrated the fragmented vision that predominated within the Organization.

99. Nicaragua firmly supported efforts to strengthen multilateralism and therefore rejected the attempts of certain delegations to impose artificial spending limits. Far from enhancing efficiency, those limits undermined the much-needed work of the Organization, and she hoped that there would be no further suggestions of that nature. Similarly, the General Assembly had never agreed that the budgetary process should be guided by the principle of zero nominal growth. On the contrary, it was obvious that resource requirements would continue to increase as new mandates were approved and the United Nations became even more involved in global affairs.

100. While commending the generosity of those Member States that had contributed extrabudgetary resources, she took the view that those contributions should gradually be incorporated into the regular budget. That process was even more important, given that voluntary contributions were often used to establish posts in addition to those mandated by the General Assembly, a situation that served to exacerbate existing geographical imbalances among Secretariat staff. In that regard, she welcomed the steps that had been taken to achieve gender balance within the Secretariat and called for further efforts to recruit more women from developing countries.

101. Lastly, the failure to appoint an Under-Secretary-General for Field Support, despite the inordinate pressure that had been brought to bear on the Fifth Committee in May and June 2007, clearly illustrated that the post was superfluous. She would welcome an explanation of that situation.

102. **Ms. Rodriguez de Ortiz** (Bolivarian Republic of Venezuela) said that the United Nations must fundamentally reshape itself and move towards the democratization of the Security Council, the assumption of new duties by the General Assembly and the strengthening of the political role of the Secretariat.

103. It was the prerogative of the 192 Member States to adopt its regular budget, which should reflect a balanced picture of the priorities and interests of those States. She wished to reaffirm the role and authority of the General Assembly and its Fifth Committee over administrative and budgetary matters.

104. The proposed programme budget showed a marked lack of balance when compared with the priorities set out in General Assembly resolutions. While the resources for some parts of the budget had more than doubled, they remained virtually unchanged, or had even decreased, for the parts dealing with development. That was true of economic and social affairs, the regular programme for technical cooperation and, in particular, the Development Account, which was far below the level initially proposed when the Account was created. That growing trend prevented the Secretariat from properly addressing one of its central pillars of activity. The Organization must have the necessary resources for all of its priority areas.

105. The proposed budget did not include the financial implications of recently adopted reform measures, which made it difficult for Member States to consider the budget and reduced the transparency of the budgetary process. She therefore concurred with the Advisory Committee's opinion that the budget should give the fullest possible picture of the requirements for the following biennium. Not only did the current presentation limit delegations' understanding of the budget, but it also represented a failure of due budgetary discipline on the part of the Secretariat. A sign of that failure was the sharp variation in the annual appropriations approved by the General Assembly during the three previous bienniums, indicating a tendency to adopt budgets that fell short of actual requirements.

106. Detailed information should be provided on outputs that had been earmarked for discontinuation, given that some 80 per cent of those outputs were from development-related sections of the budget. As a result, the Organization was carrying out far fewer mandated

tasks that were of crucial importance to developing countries.

107. With respect to the filling of posts, the Secretariat should, as a priority, ensure that its staff came from all countries and regions of the world and that more women, and especially women from developing countries, held senior positions. The current staffing situation in the Office of the United Nations High Commissioner for Human Rights (OHCHR) showed a marked lack of balance and undermined the intergovernmental nature of the Office.

108. Turning to the matter of reforms and the Secretary-General's initiative to strengthen the Department of Political Affairs, her delegation called for an integrated and balanced focus on all of the Organization's priorities, so that it would not develop any areas of weakness. She hoped to see signs of a will to strengthen such important bodies as the Department of Economic and Social Affairs, UNCTAD and the regional commissions.

109. **Mr. Heller** (Mexico) said that the proposed programme budget for the biennium 2008-2009 had been prepared on the basis of the mandates given by the General Assembly and the priority accorded by Member States to specific activities carried out by the Organization. It also reflected the Secretary-General's estimate of the financial resources required to implement those mandates. Nevertheless, he had a number of concerns about the proposals currently before the Committee. First, the piecemeal approach to the budget process served to complicate consideration of the budget, made it difficult to determine resource requirements for priority activities and, in general, undermined budget discipline.

110. Second, the anticipated add-ons to the proposals currently on the table would not only ensure that the budget would increase but would also hinder efforts to consider the proposals as an organic whole. While most of the Secretariat's functions were based on current General Assembly mandates, some of its tasks had become obsolete. A rigorous review of the resources associated with those functions was therefore required.

111. Third, the real budget level of over $4.6 billion was significantly higher than the preliminary estimate approved by the General Assembly in its resolution 61/254.

112. Fourth, the proposed programme budget did not provide details of measures designed to enhance the efficiency of the Organization. As the fifth largest contributor to the regular budget, Mexico was committed to providing the United Nations with the resources it needed to implement its mandates. It was essential, however, to ensure that those resources were being used in an effective and efficient manner.

113. Although he was grateful to the Secretary-General for having shared some aspects of his proposed reform of the Department of Political Affairs, he would have preferred to see a comprehensive restructuring proposal, in keeping with General Assembly mandates, that covered the Department of Peacekeeping Operations, the Department of Political Affairs and other departments and offices, including the Department of Economic and Social Affairs. All three pillars of the Organization's work must be funded in a balanced manner. Unfortunately, the proposed programme budget did not reflect that imperative.

114. **Mr. Punkrasin** (Thailand) welcomed recent efforts to improve the management of the Organization, including its budgetary process. The informal briefings given to members of the Fifth Committee by senior Secretariat officials had been particularly useful and should become established practice. It was hoped that frank exchanges of views at an early stage of the decision-making process would foster greater understanding of the Organization's budgetary needs and improve the balance between resources and mandates. When considering the proposed programme budget for the biennium 2008-2009, Member States must bear in mind that the allocation of sufficient resources was a determining factor for effective programme delivery.

115. While his delegation appreciated the efforts undertaken by the Secretary-General and the Secretariat to strengthen the planning and budgetary process, further measures were needed. In that connection, Thailand, together with Chile, South Africa and Sweden, had submitted for consideration the proposals on improving governance and management prepared by the Four Nations Initiative. Those proposals consisted of, inter alia, a series of practical measures designed to enhance accountability and transparency at all stages of the budgetary process. His delegation hoped that the proposals would contribute to ongoing efforts to build a stronger and more efficient United Nations.

116. The mutually reinforcing concepts of effectiveness, transparency and accountability were the hallmark of good management. In pursuing results-based management, further efforts should be made to specify the mandates and objectives associated with planned programmes and activities. Emphasis should also be placed on improving indicators of achievement, monitoring performance, strengthening evaluations and feedback, and training relevant staff.

117. The Organization's core activities represented the common interests of Member States and, as such, were the collective responsibility of those States. The Fifth Committee should therefore address the continuing imbalance between regular budget and extrabudgetary resources in order to guarantee a predictable flow of funds.

118. He highlighted the important contribution of the regional commissions to, inter alia, the achievement of the Millennium Development Goals and stressed that they should be provided with adequate resources to enable them to discharge their mandates without undue reliance on extrabudgetary resources. The Economic and Social Commission for Asia and the Pacific served as a regional hub enabling countries to exchange experiences and opinions on policy options, strategies and good practices in an integrated and inclusive manner. It also played a vital role in narrowing the gap between the countries in the Asia-Pacific region, which was home to some of the world's fastest growing economies and over half the developing countries.

119. As host country of the Commission, Thailand endorsed the proposed programme budget for section 18 (Economic and social development in Asia and the Pacific), which had been the subject of a thorough intergovernmental review and had been endorsed by the Commission itself at its sixty-third session. The budget proposal reflected the priorities of the member States of the Commission and focused on areas in which it had a comparative advantage. In that connection, his delegation supported the Commission's request for posts and welcomed the proposed redeployment of two P-2 posts within programme support in order to strengthen the Commission's procurement and monitoring and evaluation functions.

120. **Mr. Takasu** (Japan) welcomed the Secretary-General's efforts to improve the efficiency of the Secretariat, but had serious concerns about the possibility that the final budget level for the biennium 2008-2009 would exceed $4.628 billion, representing a 22 per cent increase over the initial budget estimates for the previous biennium. When discussing the proposed programme budget, it was important to take account of all the financial obligations incumbent upon Member States: the peacekeeping budget for the year beginning 1 July 2007 was expected to reach $5.25 billion and, in addition to the unprecedented increase in the regular budget, a further $690 million would be required for the capital master plan. In light of those sharp increases, the regular budget proposals should be scrutinized even more carefully. His delegation continued to advocate the practice of meeting new requirements through the redeployment of resources from obsolete or low-priority activities. It also supported the principle of zero nominal growth in the programme budgets of international organizations and would therefore take a merit-based approach to its consideration of the Secretary-General's proposals.

121. The programme budget established a contract between Member States and the Secretary-General. As pointed out by the Advisory Committee, it was the responsibility of the Secretary-General to present the membership with the fullest possible picture of the Organization's requirements for the forthcoming biennium. A piecemeal approach to budgeting and the submission of additional requests on an ad hoc basis were not conducive to the approval of the proposed programme budget by consensus, and his delegation would therefore be grateful for further information about the activities to be streamlined by those additional requests and their intended outcomes.

122. It was important to observe the budgetary procedures and methodology set out in General Assembly resolutions 41/213 and 42/211, according to which the overall level of the proposed programme budget, its priorities and the size of the contingency fund must be in line with the programme budget outline previously approved by the General Assembly. Additional expenditures arising from programme budget implications and revised estimates must be contained within the level of the contingency fund. Those procedures and methodology brought dynamism to the budgetary process and were intended to control budget growth through strict prioritization and redeployment. Accordingly, his delegation agreed with the Advisory Committee's recommendation that the level of the contingency fund for the biennium 2008-2009 should remain at 0.75 per cent. When

submitting his revised estimates, the Secretary-General should adhere to the relevant procedures and methodology and exercise maximum budget discipline.

123. Stronger accountability mechanisms were a prerequisite for a more modern and streamlined Secretariat. In that regard, his delegation was disappointed that the Secretary-General had not taken full advantage of the limited budgetary discretion afforded to him by General Assembly resolution 60/283. To date, there had been only very limited efforts to redeploy resources within and among the various sections of the budget. He stressed the importance of the rigorous application of regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and urged the Secretary-General to make additional efforts to use existing resources through redeployment and his discretionary authority before requesting additional appropriations. Further savings might be achieved by identifying posts to be downgraded following the retirement of the current incumbents. Moreover, wherever possible, the number of P-2 and P-3 posts should be increased. Mandate review was another useful way of realizing cost savings.

124. The Secretary-General had expressed his intention to further strengthen the links between the three pillars of peace and security, development and human rights. While recognizing the need to channel limited resources to all three priority areas, he stressed the importance of using financial and human resources as efficiently as possible in order to ensure optimum service delivery.

125. **Mr. Outlule** (Botswana) said that it was imperative to work in a spirit of compromise and consensus so that all Member States were equally involved in budget decisions and could satisfy themselves that the resource allocation fully reflected the Organization's priorities. Consensus-building was all the more important in that, once the budget had been approved, States must pay their assessed contributions in full, on time and without conditions. The Secretary-General needed predictable resources to carry out his mandates in a timely and effective manner, but he must also properly account for the use of those resources.

126. With respect to the presentation of the programme budget, he shared the view of ACABQ that a piecemeal approach to the budget did not serve the interests of Member States, because it delayed decision-making and slowed the work of the Secretariat.

127. His delegation supported the ongoing Secretariat and management reforms, which would revitalize the Organization and enable it to meet new challenges. Nevertheless, the reform process should be fair and balanced, based on a sense of partnership and commonality of interests.

128. The Peacebuilding Commission had made satisfactory progress in its first year of work, though much remained to be done. He therefore approved of the resources proposed for the Peacebuilding Support Office, which would make an invaluable contribution to the Commission's work. He was also encouraged by the financial pledges that had been made to the Peacebuilding Fund.

129. He welcomed the ongoing measures to strengthen capacities across the Secretariat, and expected that all pillars of the Organization's work would receive equal attention. The maintenance of international peace and security, though crucial, should not be made a priority at the expense of development; a strong correlation must be maintained between the mandated priorities of the United Nations and the allocation of budgetary resources.

130. The development of Africa was one of those priorities. The Office of the Special Adviser on Africa had a vital role to play in coordinating support from the international community for Africa. It was therefore unfortunate that the Office was five members short of its approved complement of staff, including the head of the Office, which undermined its functioning. He wondered whether there were problems that prevented the Secretariat from filling those posts and, if not, when they would be filled. The decline in projected extrabudgetary resources for the Office was also a grave concern, since it would adversely affect high-level advocacy for Africa's development.

131. He welcomed the recommendations of the Office of Internal Oversight Services (OIOS) on refocusing the work of the Economic Commission for Africa (ECA). Repositioning the Commission would result in greater delivery of services by subregional offices,

with the headquarters in Addis Ababa providing oversight, strategy and coordination.

132. Finally, his delegation approved of the resources allocated to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) and welcomed the appointment of the new head of the Office.

133. **Mr. Wallace** (United States of America) said that when the estimated amounts for recosting and add-ons for reform-related activities were added to the Secretary-General's preliminary budget estimate, the actual budget for the biennium 2008-2009 could be in the region of $4.7 billion, an increase of 15 per cent over the programme budget for the biennium 2006-2007. Such unrestrained growth in the budget was unsustainable. The General Assembly must insist that the Secretariat should identify cost savings and prioritize new initiatives when proposing increased budgets or making additional funding requests. That would encourage budget discipline, which was a hallmark of good management. Member States expected the United Nations to use its resources as efficiently as possible.

134. His delegation and others had always advocated zero growth in the programme budget. That did not appear to be an option, given the proposed budget at hand. Nevertheless, the Fifth Committee must seek to control growth in the budget, while ensuring that there were sufficient funds to meet the Organization's mandates. No organization could operate without prioritizing expenditures and reprogramming budgets to cut back on redundant or less relevant programmes and redirect resources to new challenges and priorities. Having too many priorities was tantamount to having no priorities.

135. He shared the Advisory Committee's concern about the piecemeal approach taken in the presentation of the budget, which failed to give a full picture of the requirements for the upcoming biennium. The budget process was based on a partnership between the Secretariat and Member States, whose role was undermined if they were confronted with substantial add-ons, as was currently the case.

136. The budget proposals should be examined carefully to identify even greater savings than the $11.5 million that had been identified by the Advisory Committee. In addition, all current and subsequent add-ons should be scrutinized to determine whether it was appropriate to proceed with them, and should then be prioritized, keeping in mind not only the Secretariat's objectives but also the realities of the budget.

137. **Mr. Guerber** (Switzerland) said that, far from representing zero growth, the estimated programme budget showed an increase of some 25 per cent in real value, when add-ons were taken into account. The piecemeal presentation of the budget made it difficult for Member States to manage the budgetary process effectively. He therefore requested that future proposals should be presented in a timely and comprehensive manner.

138. He was pleased to see that greater resources had been earmarked for the Office of the High Commissioner for Human Rights and for strengthening the Peacebuilding Support Office. His delegation had long advocated more stable and predictable financing for human rights and humanitarian programmes.

139. Three issues with significant cost implications were of particular concern to his delegation. Firstly, while he lauded the Secretary-General for his work on United Nations reform, much remained to be done to improve overall governance by strengthening accountability, transparency and internal oversight. More progress was also needed in the areas of enterprise risk management and results-based management. An independent, transparent, professional and well-resourced system of administration of justice was required. Cost savings could also be achieved through, inter alia, improvements in procurement and the appointment of a Chief Information Technology Officer.

140. Secondly, the Organization must discontinue activities that had become obsolete or less relevant. His delegation therefore supported initiatives aimed at reviving the review of mandates.

141. Finally, having established the Human Rights Council, the General Assembly must provide it with adequate funding through the regular budget. Core activities of the Organization must not depend on voluntary contributions.

142. Provided that the budget would help achieve the objectives he had outlined, his delegation was prepared to accept a greater increase than it would have preferred. The Committee's deliberations should focus

on the Organization's strategic priorities rather than on a line-by-line examination of the budget proposals.

143. **Mr. Hannesson** (Iceland) said that the ultimate aim of the Fifth Committee's negotiations was to ensure that the Secretary-General had the necessary resources to fulfil the mandates he had been given. A balanced approach was paramount in dealing with the individual budget proposals. That meant, firstly, balancing allocated resources against available resources through budgetary discipline, and secondly, balancing the emphasis given to different mandates, taking into account the fundamental priorities of the United Nations. Those priorities were reflected in the Organization's main pillars and in the mandates given by the General Assembly.

The meeting rose at 1 p.m.